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ZNR UUUUU ZZH
P 260823Z DEC 07
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 0564
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
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UNCLAS SECTION 01 OF 09 TOKYO 005657

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CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12/26/07

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ARTICLES:

- (1) Poll on Fukuda cabinet, political parties, MSDF Indian Ocean refueling mission

MAINICHI (Page 5) (Full)
December 18, 2007

Questions & Answers

(T = total; P = previous; M = male; F = female)

Q: Do you support the Fukuda cabinet?

T P M F
Yes 33 (46) 31 35
No 44 (30) 49 40
Not interested 21 (21) 18 24

Q: (Only for those who answered "yes" to the above question) Why?

T P M F
Because the prime minister is from the Liberal Democratic Party 22
(12) 19 24
Because something can be expected of the prime minister's leadership
11 (15) 8 13
Because there's something stable about the prime minister 37 (58) 43
33
Because something can be expected of the prime minister's policy
measures 13 (12) 15 12

Q: (Only for those who answered "no" to the above question) Why?

T P M F
Because the prime minister is from the Liberal Democratic Party 12
(24) 14 10
Because nothing can be expected of the prime minister's leadership
28 (16) 29 26
Because there's no fresh image about the prime minister 8 (13) 7 9
Because nothing can be expected of the prime minister's policies 40
(46) 37 42

Q: Which political party do you support?

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T P M F
Liberal Democratic Party (LDP) 26 (27) 26 26
Democratic Party of Japan (DPJ or Minshuto) 27 (27) 33 22
New Komeito (NK) 4 (5) 1 7
Japanese Communist Party (JCP) 3 (3) 3 3
Social Democratic Party (SDP or Shaminto) 1 (2) 1 1
People's New Party (PNP or Kokumin Shinto) 0 (0) 0 0
New Party Nippon (NPN or Shinto Nippon) 0 (1) 0 0
Other political parties 1 (1) 0 1
None 35 (32) 33 36

Q: What do you think is the desirable form of coalition government?

T P M F
Current LDP-NK coalition government 17 16 18
LDP-DPJ grand coalition 23 18 28
LDP single-party government 10 12 9
DPJ-led coalition government 21 27 15
DPJ single-party government 11 15 8
Coalition government without LDP and DPJ 6 5 6

Q: The Maritime Self-Defense Force halted its refueling mission in the Indian Ocean on Nov. 1 due to the Antiterrorism Special Measures Law's expiry. Do you think the MSDF refueling mission should be resumed?

T P M F
Yes 41 45 37
No 50 50 51

Q: The government and ruling parties are going to enact a new law in order to resume the MSDF refueling mission. If the legislation is voted down in the House of Councillors, the ruling coalition will revote on it to override the House of Councillors' decision with a majority of two-thirds. Do you support this legislative process?

T P M F
Yes 32 35 30
No 57 58 56

(Note) Figures shown in percentage, rounded off. "0" indicates that the figure was below 0.5 PERCENT. "No answer" omitted. Figures in parentheses denote the results of the last survey conducted Oct. 20-21.

Polling methodology: The survey was conducted Dec. 15-16 over the telephone across the nation on a computer-aided random digit sampling (RDS) basis. Answers were obtained from 1,528 persons.

(2) Iwakuni mayor expresses intention to quit

YOMIURI (Online) (Full)
December 26, 2007

Yamaguchi Prefecture's Iwakuni Mayor Katsusuke Ihara, who is opposed to the relocation of carrier-borne aircraft to the U.S. Marine Corps' Iwakuni Air Station along with the realignment of U.S. forces in Japan, submitted his resignation to the speaker of the city's municipal assembly.

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Ihara presented a supplementary budget plan to the city's assembly in its regular meeting this morning to make up for the cost of constructing the municipal government's new office building. Meanwhile, the government has called off its subsidization of the construction project due to the mayor's rejection of U.S. realignment plans.

The budget plan has been voted down four times in the past. This is the fifth time for the mayor to present the budget plan. The city's assembly is expected to vote on the proposed budget plan this afternoon. However, it seems difficult for the budget to get the municipal assembly's approval.

(3) Watanabe: "Ozawa proposed grand coalition"

ASAHI (Page 2) (Full)
Eve., December 22, 2007

Appearing on an NTV program aired on Dec. 22, Tsuneo Watanabe, chairman and editor in chief of The Yomiuri Shimbun Holdings, asserted that Ozawa proposed the idea of establishing a grand coalition, saying, "It was Mr. Ozawa who broached the idea." Watanabe also explained that Ozawa had already decided on how to share cabinet posts between the coalition partners, noting that the failure in establishing a grand coalition was due to Mr. Ozawa.

Watanabe continued: "He (Ozawa) said Mr. Fukuda broached the idea and that Watanabe acted as a go-between, but that was not true."

After admitting his meeting with Ozawa, Watanabe said: "Mr. Ozawa was more alarmed by the current situation in the Diet and he had the view that the next Lower House election would be tough for his party, and that if the divided Diet (where the ruling bloc holds a majority in the lower chamber of the Diet but the opposition bloc dominates the upper chamber) goes as is, Japan would go in a wrong direction. Based on this idea, he attempted to take action."

Furthermore, Watanabe noted: "Mr. Ozawa apparently was like someone wearing the emperor's new clothes. He thought that leaders of his party would automatically support him if he made the proposal. This was the biggest reason why the grand coalition failed this time."

Speaking of the conditions for a grand coalition to be created, Watanabe said: "The grand coalition should organize a policy consultative body and settle the issue of the antiterrorism special measures bill, whether to hike the consumption tax, and social welfare and pension problems." Watanabe added, "There was agreement that Mr. Ozawa would serve as a minister without portfolio and as vice prime minister, that 10 cabinet posts would go to the Liberal Democratic Party (LDP), six to the Democratic Party of Japan (DPJ), and one to the New Komeito. The six ministerial posts expected to be given to the DPJ includes the minister of land, infrastructure and transport, the minister of health, labor and welfare, and the

minister of agriculture, forestry and fisheries."

Meanwhile, when reporters told Ozawa on Dec. 21 that Mr. Watanabe said Ozawa had broached the idea of establishing a grand coalition," Ozawa rebutted: "It's difficult to answer if you ask me about stories told by someone who did not join the party-head talks. At any rate, I want to say at least that that was not true."

(4) Japan to release 10.3 billion yen in supplementary budget for

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helping Afghanistan

TOKYO SHIMBUN (Page 2) (Full)
December 23, 2007

The government as of Dec. 22 decided to provide 10.3 billion yen as humanitarian and reconstruction assistance to Afghanistan. This amount has been included in a supplementary budget bill for fiscal 2007. Japan's aid will consist of measures to help Afghan refugees return home smoothly and measures to bring peace to that country. Through those measures, Japan intends to highlight its positive stance toward the war on terror as well as reconstruction of Afghanistan as it has now suspended the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean.

Reportedly, more than six million people have fled from Afghanistan in order to avoid tyranny of the former Taliban regime and airstrikes by the U.S. forces after the 9/11 terrorist attacks in the United States. Some four million Afghan evacuees returned to Afghanistan by this past July, but still many are said to remain in regions near the Pakistani and Iranian borders.

The Japanese government plans to help the Afghan government and the Office of the UN High Commissioner for Refugees reconstruct housing, waterworks, and medical facilities in preparation for returned refugees to re-settle down. Japan will also provide financial aid in the area of managing and disposing of weapons collected from former soldiers in the disarming process and in the area of organizing police.

Japan has so far announced a total of 1.45 billion dollars or 165 billion yen in aid and it has already provided 1.24 billion dollars or 141 billion yen. Japan plans to host an international conference in Tokyo next February to discuss measures for the reconstruction of Afghanistan.

(5) Editorial: Further strategy needed in extending ODA

NIKKEI (Page 2) (Full)
December 23, 2007

Official development assistance (ODA) aimed at assisting developing countries is one of Japan's important diplomatic tools. However, Japan's ODA is continuing to decline from year to year due to fiscal restrictions. The 2007 ODA White Paper noted that the track record of Japan's ODA last year, determined by subtracting repaid yen loans, dropped 15 PERCENT, compared with the preceding year's level, showing that Japan's rank as an ODA donor slipped to third place, following the U.S. and the UK.

It is regrettable that Japan's position as a donor has slipped. However, there are some unavoidable aspects. As the White Paper pointed out, Japan must challenge a difficult task of securing the amount of aid, while achieving cost reductions and carefully screening projects eligible for assistance.

According to a projection by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), there is a possibility of Japan continuing to slip down the ladder to sixth place, overtaken by Germany, France and Italy in 2010.

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The Japanese government in July last year adopted basic policy guidelines on economic and fiscal management and structural reforms, which included a cut in the ODA budget by 2 PERCENT -4 PERCENT over the period of five fiscal years from 2007 through 2011. The ODA budget for fiscal 2008 was compiled, based on this policy. Accordingly, a 4 PERCENT cut in comparison with the current fiscal year's level was incorporated in the budget drafted by the Finance Ministry.

Japan's possible fall to sixth place is not unrealistic at all. Amid other industrialized countries making efforts to boost foreign aid, Japan finds itself in a difficult situation.

Even so, Japan cannot abandon its fiscal reconstruction policy. The government must keep its goal of moving the primary balance into the black in fiscal 2011 firm. It is not until fiscal reconstruction makes progress that the government can facilitate a foreign aid policy in a stable manner.

We hope Japan's ODA budget will increase again some day. However, the restriction on the amount will be in place for the time being. As such, Japan must proceed with its aid policy in a strategic manner. The White Paper refers to key foreign aid areas, such as promoting efforts to strengthen government-private sector ties, securing resources and energy, and implementing measures to deal with global warming.

Japan will host the Tokyo International Conference on Africa's Development (TICAD) and the G-8 next year. Aid to Africa will become a key aid item in the future, because fresh provision of yen loans to China will end this fiscal year. Both conferences are major aid conferences that will bring Japan's capability concerning the aid issue into question. We hope to see the two conferences result in success.

(6) Prime Minister's schedule, December 21

NIKKEI (Page 2) (Full)
December 22, 2007

08:32

Met Deputy Chief Cabinet Secretary Futahashi and Assistant Deputy Chief Cabinet Secretary Saka in the Diet building. Joined by Chief Cabinet Secretary Machimura.

09:00

Attended a cabinet meeting. Transport Minister Fuyushiba and Machimura stayed behind. Later attended a cabinet ministerial meeting on crime countermeasures. Then, met Administrative Reform Minister Watanabe and Machimura. Watanabe stayed behind.

09:54

Met Health, Labor and Welfare Ministry's Employment Security Bureau Director General Ota at the Kantei.

10:15

Talked on the phone with South Korean president-elect Lee Myung Bak. Met former Prime Minister Nam Duck Woo, chairman of the South Korea-Japan Cooperation Committee, and others, with former Prime Minister Nakasone, chairman of the Japan-South Korea Committee, and others present.

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11:00

Met Lower House member Jinen Nagase, chairman of the LDP Employment and Livelihood Research Committee, and others.

11:41

Attended a luncheon party at the Imperial Palace.

14:11

Met at the Kantei with former Chief Cabinet Secretary Yosano. Followed by Chinese Ambassador to Japan Cui Tiankai.

15:08

Attended an award ceremony for long-service employees at the cabinet and the Cabinet Office. Later met Machimura.

16:11

Met Lower House member Takeo Kawamura, chairman of the ruling camp's project team on measures for A-bomb survivors, and others. Later met Lower House member Masatoshi Ishida, chairman of a group of junior lawmakers tackling a reform of the public servant system, and others.

17:02

Attended a meeting of the Council on Economic and Fiscal Policy.

19:18

Dined with Nippon Keidanren Chairman Mitarai, Nippon Steel Corporation Honorary Chairman Takashi Imai, and others at a French restaurant in the Grand Prince Hotel Akasaka.

21:30

Returned to his private residence in Nozawa.

Prime Minister's schedule, December 22

NIKKEI (Page 2) (Full)
December 23, 2007

.Spent all day at his private residence in Nozawa.

Prime Minister's schedule, December 23

NIKKEI (Page 2) (Full)
December 24, 2007

11:36

Met Chief Cabinet Secretary Machimura at the Prime Minister's Official Residence (Kotei).

11:40

Responded to questions by reporters at the Kantei on the lawsuits over infection with the hepatitis C virus.

11:51

Arrived at the Kotei.

12:33

Attended a ceremony for the birthday of the Emperor at the Imperial Palace.

13:53

Met his secretaries at the Kotei.

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18:10

Dined with National Defense Academy President Makoto Iokibe, Keio University Professor Ryosei Kokubun, and others at a Chinese restaurant in Kudan-kita.

20:58

Returned to the Kotei.

Prime Minister's schedule, December 24

NIKKEI (Page 2) (Full)
December 25, 2007

09:21

Attended a meeting of the Security Council at the Kantei. Later attended a meeting of the Administrative Reform Promotion Headquarters.

10:02

Attended a cabinet meeting. Met Health, Labor and Welfare Minister Masuzoe. Followed by Education Minister Tokai. Later met Vice Finance Minister Tsuda, and then met Assistant Deputy Chief Cabinet

Secretary Saka.

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11:04

Met Kohan Kawauchi, songwriter, at the Grand Prince Hotel Akasaka.

12:19

Met METI Vice Minister Kitabata, Natural Resources and Energy Agency Director General Mochizuki, and others at the Kantei.

13:32

Met Health, Labor and Welfare Ministry Director General for Policy Planning Usui and Saka.

14:35

Returned to his private residence in Nozawa.

Prime Minister's schedule, December 25

NIKKEI (Page 2) (Full)
December 26, 2007

08:31

Attended a meeting of cabinet ministers responsible for emergency measures for subcontract companies suffering from oil price hikes at the Kantei. Later attended a meeting of the taskforce to map out measures for handicapped persons.

09:20

Met Economic and Fiscal Policy Minister Ota. Met Deputy Foreign Minister Yabunaka, Asian and Oceanian Affairs Bureau Director General Sasae, Natural Resources and Energy Agency Director General Mochizuki, and others.

10:19

Met Yabunaka, Sasae, Environment Ministry Global Environment Bureau Director General Minamikawa, and others. Followed by Science and Technology Minister Kishida, lawmaker Masuo Aizawa, a member of the Council for Science and Technology Policy, and others.

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11:24

Met Deputy Chief Cabinet Secretary Futahashi. Held an informal meeting with reporters covering the prime minister.

14:39

Met deputy chief cabinet secretaries Ono, Iwaki, and Futahashi. Followed by Yabunaka, Sasae, and Mochizuki.

16:00

Met Japan-U.S. Economic Council Chairman Junichi Ujiie and others. Followed by Japan-China Association Chairman Takeshi Noda and others.

16:41

Attended a meeting of the Education Rebuilding Council. Attended a meeting of the Council for Science and Technology Policy.

17:28

Met plaintiffs who filed lawsuits over hepatitis C infection, with Deputy Chief Cabinet Secretary Ono.

18:12

Responded to an interview by three Chinese press companies.

19:30

Dined with Cabinet Press Club reporters at a Chinese restaurant in Kudan-kita.

21:50

Returned to his private residence in Nozawa.

(7) TOP HEADLINES

Asahi:

Fukuchi to take office as NHK chairman; Appointment of person from outside for first time in 19 years

Mainichi:

Premier offers apology to plaintiffs: Those eligible for relief to be designated under law; Drug-induced hepatitis bill

Yomiuri:

Health Ministry research panel to keep ban on administering tamiflu to teenagers in place, while withholding judgment on causal association with abnormal behaviors

Nikkei:

Kansai Electric Power, Sumitomo Corp. to process nuclear power generation: Technology transfer for stable procurement of uranium

Sankei:

Abnormal behaviors of Tamiflu recipients fewer than non-recipients flu patients

Tokyo Shimbun:

Premier offers apology to victims of drug-induced hepatitis "from the bottom of his heart"

Akahata:

Drug-induced hepatitis: Policy Committee Chairman Koike calls for including state responsibility and apology in lawmaker-sponsored bill

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(8) EDITORIALS

Asahi:

- (1) New NHK Chairman: We mistrust judgment of Management Committee
- (2) Annual tax code revision: Looking forward to Diet debate

Mainichi:

- (1) New NHK Chairman: Public broadcasting is tasked with heavy mission
- (2) Education Revitalization Council: Image of reform not in sight

Yomiuri:

- (1) Education Revitalization Council: Make most of proposals for improved education
- (2) New NHK chairman urged to achieve balance between improvement of efficiency and quality of programs

Nikkei:

- (1) Ruling, opposition parties should come up with conclusions on tax system by the end of March next year
- (2) NHK should improve efficiency and contents of programs

Sankei:

- (1) Prime Minister Fukuda's China visit: Japan's stance toward Taiwan must not change
- (2) Education reform: Including moral education in school curriculum absolutely necessary

Tokyo Shimbun:

- (1) Prime Minister Fukuda's China visit: Deepen friendship with fruitful discussion
- (2) Third report on education: Not all children are brilliant

Akahata:

- (1) Defense Ministry should withdraw environmental impact assessment plan that is defective

DONOVAN